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SUBJECT: THE NEW GOZ: A ONE-MONTH ASSESSMENT

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Classified By: Ambassador James D. McGee for reason 1.4 (b) and (d)

SUMMARY

[1](#)1. (C) The newly formed Government of Zimbabwe is not a government of national unity with shared values and goals. It is principally a forced marriage of two opposing parties that seek to strengthen themselves while weakening the other as they look toward elections in two years.

[1](#)2. (C) The MDC believes that fundamental political and economic reform is possible only if it can win the next election and control both the executive and legislative branches. To build support, it is pursuing democratic reforms including an end to political detentions, depoliticization of the security forces, an impartial judiciary, and freedom of the media. Perhaps most fundamental, after 10 years of economic collapse, is the ability to deliver social services and to begin to resuscitate the economy. ZANU-PF, which has depended on patronage and intimidation to maintain itself in power, has no program on which to build support. Its success in the next elections depends on the failure of the MDC. We can therefore expect ZANU-PF to undermine the MDC's efforts in the new government to weaken it as a party. There are also some ZANU-PF hardliners, who were opposed to the party forming a coalition with the MDC; they seek to sabotage the agreement and provoke the MDC into abandoning government.

[1](#)3. C) For our part, the ultimate goal in Zimbabwe is an accountable government with democratic institutions that serves the interests of its people. A crucial step is free and fair internationally-supervised elections that result in

the election of a party or parties that can begin to meet this goal. At this point, the MDC is the only established party with an excellent chance to beat ZANU-PF in a fair election. As such, it is in our interest to support the party and reformist ministries in the government that it shares; failure of the government before elections could result in a severe weakening of the MDC and a resurgence of ZANU-PF. This would set Zimbabwe back years. Our challenge is to continue to insist on fundamental reforms consistent with The Hague principles, and at the same time provide critical assistance to the government that will allow the MDC (and any other democratic parties) to position itself for the next election. Key to this is enabling the government to provide basic social services to the Zimbabwean people, and this requires that civil servants receive sufficient salaries to motivate them to come to work. Given the transitional power-sharing arrangement and ZANU-PF's self-interest, it is unlikely that the nature and extent of reforms with reference to the Hague principles will be all that we would like. END SUMMARY.

Progress in the Last Year
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14. (SBU) In assessing progress to date, it is instructive to note the events of the last year. In March 2008, most observers, uncertain of the depth of MDC support in the country and cognizant of ZANU-PF's ability to fraudulently control the election, gave the MDC little or no chance of

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winning the presidency and gaining control of Parliament. The fact that the combined MDC did win a majority in Parliament and that Morgan Tsvangirai outpolled Robert Mugabe--and probably won an outright majority of the votes--was evidence of widespread distrust of ZANU-PF and corresponding support of the MDC.

15. (SBU) When the new Parliament met for the first time late last year, Lovemore Moyo of MDC-T was elected Speaker. For the first time since Independence in 1980, therefore, the opposition had a working majority in Parliament and held the Speakership position. Tsvangirai's inauguration as prime minister on February 11 and the swearing-in of MDC ministers shortly thereafter was the first time a Zimbabwean opposition had occupied positions, let alone significant positions, in the executive branch. All this was difficult to imagine a year ago.

The MDC Decision to Enter Government...

16. (C) Tsvangirai's decisions to sign the Inter-Party Agreement (IPA) on September 15 and to be inaugurated on February 11 were made against the wishes of many in his party, including Tendai Biti. Some (such as Biti) opposed any agreement, hoping that the dire economic situation would result in the collapse of ZANU-PF. Others opposed an agreement until outstanding issues such as the release of detainees had been resolved. Ultimately, Tsvangirai decided to enter government for two reasons: 1) with a desperate humanitarian situation and dire economic situation, he thought he could best help the Zimbabwean people from inside the government; and 2) with ZANU-PF weakened by its failure to turn around the economic crisis and its internecine struggle for succession to Mugabe, Tsvangirai believed that as a leader in government with MDC heads of significant ministries he could exploit this weakness to further debilitate ZANU-PF.

17. (C) Although Tsvangirai and the MDC had an ambitious agenda of political and economic reform, they realized they were not entering into a government of national unity where

parties, despite differences of philosophy, have common goals. Rather they correctly understood the government to be a temporary marriage of convenience that would last only a couple of years until elections. Thus, while the MDC intends to pursue its democratic agenda and attempt to achieve a measure of economic stability, its main goals are its political viability and the building of support so that it can contest and win elections under a new constitution in two years' time. As Tsvangirai recently told the Ambassador, however bad things get, he is in this government for the duration.

...and that of ZANU-PF

18. (C) ZANU-PF realized it had no ability to revive the economy on its own. While for years, Zimbabwe's economic plight was of little concern to high-level ZANU-PF insiders who benefited from the largesse of Reserve Bank of Zimbabwe (RBZ) Governor Gideon Gono, the worthlessness of the Zimbabwe dollar has gradually eliminated Gono's ability to generate forex to support his friends and their businesses. The Mujuru faction, which controls a large proportion of Zimbabwe's economy, unsuccessfully tried to oust Mugabe at the ZANU-PF conference in December 2007, and was particularly supportive of a deal with the MDC. Mugabe himself ultimately made the decision to form a government with the MDC because

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he thought it was necessary economically; he also thought he could control the government both as president and by presiding over the Joint Operations Command (JOC) which, while theoretically operational, has been involved in Zimbabwe's important policy decisions in the last couple of years.

19. (C) Tsvangirai's inauguration of February 11 occurred despite unresolved outstanding issues. Principal of these was the continued detention of over 30 MDC members and sympathizers. ZANU-PF's failure to release these individuals, despite commitments to SADC that it would do so, was due to actions by ZANU-PF hawks who opposed any agreement since they saw a government that included the MDC as a threat to their power. The hawks include the security chiefs, Defense Minister Emmerson Mnangagwa, Justice Minister Patrick Chinamasa, Attorney General Johannes Tomana, and Didymus Mutasa who is believed to be the mastermind behind ZANU-PF's farm invasion policy. Having failed to prevent the formation of a government, they can be expected to subvert its functioning as they seek to maintain their power and restrain that of the MDC.

ZANU-PF Obstructionism...

10. (C) ZANU-PF has made clear by its actions and words that it will to a large extent obstruct the implementation of the IPA. The issue of detainees has become emblematic and illustrative both for MDC supporters and donors of the difficulties of working with the government. Tsvangirai signed the IPA on September 15 despite averring he would not do so until detainees had been released. He later said he would not join the government until detainees were released. Once again, he relented. In both instances, Mugabe gave him assurances the issue would be quickly resolved. Welshman Ncube, who in February was chair of the Joint Monitoring and Implementation Committee (JOMIC, comprised of representatives of ZANU-PF and the two MDC factions), told us that after the formation of the government in February, JOMIC met and resolved that all detainees should be released. JOMIC then met with Mugabe, Tsvangirai, and MDC-M leader Arthur Mutambara for three hours. Mugabe initially insisted that the justice system be allowed to run its course; to do

otherwise would be to interfere with the courts. Mugabe eventually reversed himself and agreed to their release. He promised to speak to Justice Minister Chinamasa and convinced Tsvangirai and Mutambara their presence was unnecessary. According to Ncube, it took a week for Mugabe to meet with Chinamasa, who at first resisted Mugabe before agreeing to speak to Attorney General Tomana. Chinamasa then stalled another week before speaking to Tomana. Tomana agreed to not oppose bail for most detainees, but his office argued for onerous conditions.

¶11. (SBU) While many detainees have been released, including Jestina Mukoko and Roy Bennett, there are still several that remain in custody. And in a sign that old habits die hard, in the past couple of weeks police have arrested WOZA demonstrators (who were attempting to deliver a petition to the Ministry of Education) and student protesters.

¶12. (SBU) According to the IPA, high-level appointments were to be made after the formation of the government. Nevertheless, Mugabe appointed Gono to a new five-year term as governor and appointed Tomana as attorney general. Despite SADC's suggestion that these appointments be revisited in consultation with the MDC, Mugabe has stood firm. In a similar vein, Mugabe ignored the IPA and Amendment 19 which call for consensus in making high-level

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appointments such as permanent secretaries and ambassadors and, after the government was formed, made a round of appointments of permanent secretaries. (NOTE: After Tsvangirai complained, Mugabe said he would review the appointments with Tsvangirai, but this has not yet occurred. END NOTE.) Additionally, Mugabe has not yet implemented an agreement, as urged by SADC, to apportion the country's 10 governors with the MDC.

¶13. (SBU) Mugabe at his recent birthday bash, in light of a recent spate of invasions of white-owned farms, supported the eviction of all remaining white farmers. With ZANU-PF ministers in charge of the ministries of agriculture and lands, and with the minister of justice and attorney general encouraging magistrates to rule against white farmers in cases involving farm invasions, it appears ZANU-PF will carry out Mugabe's intentions. The MDC, which has called for an audit of farms to ensure that all are being utilized productively, has been powerless so far to stop this destructive policy.

...and Other Challenges for the MDC

¶14. (C) In the IPA, ZANU-PF agreed the MDC should run the Ministry of Finance knowing that if there was no economic reversal the MDC would get the blame. Tsvangirai in turn named Biti to head the ministry. Although Biti is a lawyer and not an economist, he is an indefatigable political in-fighter and Tsvangirai is counting on him to jump start Zimbabwe's economy. His first task is to pay civil servants, including military and teachers, who Tsvangirai promised after his inauguration would be paid in forex from March 1. US\$100 voucher payments redeemable in forex began in February and produced excitement and expectation as for the first time in recent memory many civil servants were able to patronize shops and grocery stores (Ref A). A number of civil servants, however, particularly in rural areas have been unable to redeem their vouchers. And Biti is scrambling to raise forex for the next round of salaries.

¶15. (C) Biti told us that there are 236,000 civil servants on the payroll; 60,000 of these are military and police and over 130,000 are teachers. (NOTE: It is unknown how many of these are "ghost" employees. END NOTE.) Biti estimated revenues in February at US\$15 million; visiting IMF mission

estimated monthly revenues at US\$30 million. He and other MDC officials have characterized the government as "broke" in terms of its ability to meet recurrent obligations and to pay civil servants, including health workers, teachers, military, and police. Support for the government in general and the MDC in particular, depends on the government's ability to at least minimally compensate civil servants and provide services while beginning to attend to Zimbabwe's crumbling infrastructure.

¶16. (C) NOTE: Biti agreed with us that as he seeks assistance the MDC faces a problem of perceptions as potential benefactors are concerned about a bloated cabinet driving around the country in new Mercedes. He blamed the increase in cabinet ministries from the number specified in the IPA and Amendment 19 (Ref C) on a unilateral agreement made by Tsvangirai with Mugabe and Mutambara without consultation with other MDC officials. As for his Mercedes, he said he would gladly give it up. END NOTE.

¶17. (C) A number of MDC ministers have told us of encountering dilapidated infrastructure and absence of human and technical capacity in their ministries. Many qualified civil servants have left government to pursue opportunities

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outside of government or in other countries. The ministers themselves for the most part have not run large organizations. As Deputy Prime Minister Khupe told the Ambassador on March 2 (Ref B), there are only a handful of people in each ministry that know what they are doing.

¶18. (SBU) Minister of Education David Coltart has provided the press with a graphic illustration of infrastructure problems. When he arrived at his ministry for the first time, he said he encountered women with water buckets on their heads preparing to deliver water to his office 18 floors above. There had been no water in the building for six months. Coltart told us that he, as is the case with most ministers, has no email or data collection capacity. In fact, as the Ambassador makes courtesy calls on the new minister, the absence of computers for ministers and their staffs is notable.

On the Brighter Side

¶19. (C) For the last month, Tsvangirai has asserted his authority in cabinet meetings and begun to receive respect from ZANU-PF ministers, and MDC ministers have begun to establish control over ministries they head. Tsvangirai, often accompanied by Mutambara who has been supportive, has also pursued individual issues with Mugabe. As evidenced by his February 25 press conference (Ref E), Tsvangirai has not been reticent to publicly raise outstanding issues.

¶20. (C) While the military remains in firm ZANU-PF control with the service chiefs in place and Emmerson Mnangagwa as Minister of Defense, the MDC through Giles Mutsekwa (who recently returned from a Voluntary Visitor Program) now shares control of the Home Affairs ministry. Mutsekwa's ZANU-PF counterpart is Kembo Mohadi. Mutsekwa recently told the Ambassador he was working well with Mohadi. Mohadi is ex-ZAPU and was imprisoned by Mugabe in the 1980s; according to Mutsekwa he is not a zealot and can be motivated to support reform. Mutsekwa, along with Mohadi, is now attending meetings of the Joint Operations Command (JOC) and will be part of the National Security Council when it supplants the JOC. The National Security Act was passed by Parliament and signed by Mugabe. While ZANU-PF officials hold a majority of positions on the NSC, the legislation stipulates that all decisions must be made by consensus.

¶21. (C) The Ministry of Home Affairs oversees the police and

is supposed to oversee the Commissioner of Police. Mutsekwa acknowledged that in practice the Commissioner, Augustine Chihuri, has historically controlled Zimbabwe's police force while the Home Affairs minister has taken a back seat. Mutsekwa vowed to assert this authority over Chihuri. Additionally, Home Affairs oversees the Registrar General who is responsible for voter registration. Partial control of Home Affairs will give the MDC, at least in theory, the opportunity to regularize voter registration and voting. Opportunity to regularize voter registration and voting.

¶22. (C) In the face of a worthless currency and economic meltdown, RBZ Governor Gono was forced to begin liberalizing the economy in his Feb 2, 2009 Monetary Policy Statement (Ref D). He introduced hard currencies as legal means of tender; he removed exchange controls and price controls, including on gold; and he announced the end of off-budget spending. Significantly for the recovery of the agricultural sector, Acting Finance Minister Chinamasa had announced the removal of the Grain Marketing Board's monopoly in his budget statement the previous week. The GOZ's acceptance of the de facto dollarization of the economy brought hyperinflation to an abrupt stop.

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¶23. (C) Chipping Gono's powers away further, Biti, as Minister of Finance, challenged in Cabinet Gono's continuation as RBZ governor and forcefully argued he should step down. While Gono remains, Biti is attempting to marginalize him. He has ordered the removal of arbitrary fees imposed by Gono on businesses operating in foreign currency; he has reopened the Zimbabwe Stock Exchange (ZSE), removed levies on share transactions, and restored fungibility of dual-listed shares. Biti put a quick end to the use of RBZ-printed vouchers for paying civil servants a monthly U.S. dollar allowance (Ref A), and he is attempting to restore the Ministry of Finance's control over mineral revenues. Furthermore, we understand the new government's emergency recovery program includes removal of the onerous 7.5 percent foreign exchange surrender requirement on exporters that had been payable to the RBZ, thereby drying up one more revenue stream for Gono.

¶24. (C) While competence and staffing is lacking in many ministries, the visiting IMF chief told donors that his interlocutors in the Ministry of Finance were "competent people" and that his initial first impression of staff at the Zimbabwe Revenue Authority (ZIMRA) was favorable. He also thought there was good capacity in the balance of payments and debt management departments of the RBZ. T

¶25. (C) There has been an expansion of political space. The MDC has held a series of rallies around the country (events for which, prior to the establishment of the transitional government, the MDC had struggled and often failed to obtain permission to undertake). A number of MDC activists, who were in exile or hiding, have returned to Zimbabwe to work with the MDC. (COMMENT: The salutary return from the diaspora has been blemished by the detention of Roy Bennett who returned from South Africa. END COMMENT.)

¶26. (C) Eric Matinenga, one of Zimbabwe's leading lawyers, heads the new Ministry of Constitutional and Parliamentary Affairs. His primary responsibility is the drafting of a new constitution. Matinenga told us that he has begun planning, in accordance with Schedule 10 to Amendment 19, for the establishment of a Parliamentary select committee, an all-stakeholders' conference, and public consultation. Schedule 10 calls for the drafting of the constitution and a referendum with 18 months. Both ZANU-PF and the MDC have indicated they support a new constitution within the prescribed period with elections in approximately two years. Matinenga did note that there is opposition on the part of ZANU-PF and Mugabe to consulting with civil society; they would prefer to rely on the Kariba draft constitution

negotiated in 2007 between ZANU-PF and the MDC when the SADC process was beginning. To bridge the gap with civil society, Matinenga has received the commitment of widely-respected lawyer Arnold Tsunga, formerly head of Zimbabwe Lawyers for Human Rights and now with the International Commission of Jurists in Geneva, to work with him.

¶27. (C) Matinenga's other priorities will be the repeal and amendment of repressive/restrictive legislation including the Access to Information and Protection of Privacy Act (AIPPA), the Public Order and Security Act (POSA) and the Public Broadcasting Act. Additionally, he is waiting for Parliament to establish the Standing Rules and Order Committee to provide for an independent Media Commission to provide for the independent exercise of journalism, and to make appointments to the Electoral Commission and Anti-Corruption Commission.

¶28. (U) Trevor Ncube, who publishes the weekly newspapers Zimbabwe Independent and The Standard, has announced plans to

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begin publishing a daily newspaper. In the absence of a functioning Media Commission, Ncube said he had received tentative approval from Minister of Information Webster Shamu to publish.

¶29. (SBU) Minister of Education David Coltart managed to reach an agreement with teachers' unions for striking teachers to return to schools. Almost all urban schools and some rural schools have resumed classes. Teachers expect salaries, however, and failure to provide them could result in a renewed strike and the exodus of more teachers to other countries in the region.

¶30. (SBU) The new Joint Monitoring and Implementation Committee (JOMIC) responsible for resolving inter-party conflicts that threaten the new government has been an active participant in the political process; most notably it reached a consensus that political detainees should be freed and has played a role in pressuring Mugabe and ZANU-PF to do this.

COMMENT

¶31. (C) A new paradigm now exists in Zimbabwe. In refining our policy, we believe our analysis should be informed as follows: 1) This is not a government of national unity with shared values and goals, but a transitional government in which the primary goal of both parties is to win the next elections; 2) While there was much debate as to whether the MDC should join the government, the MDC has in fact done so. The collapse of this government would be chaotic with unforeseen consequences; 3) It is in the U.S. interest for the government to succeed. Our goal of an accountable government with democratic institutions that serves the will of the people is in all likelihood possible only after new elections under a new constitution. For better or worse, a successful MDC, which can manage to achieve some reforms, is the best vehicle to navigate toward new elections; 4) We should continue to apply pressure for conformance with the Hague principles. But we should be realistic that our principles and benchmarks will not be met as completely or quickly as we would like. Biti and other MDC officials have acknowledged to us that progress toward political reform will be incremental and fitful; while they seek political and economic reform, their eyes are on the next election.

¶32. (C) The Zimbabwean political landscape in the last year has dramatically changed. The MDC has important positions in the government, the MDC is popular throughout Zimbabwe, and there are reasons to think that it can enhance its influence and its ability to achieve reforms within the government. The complete dollarization of the economy in the last weeks

put an abrupt end to hyperinflation, and economic stabilization has begun. Added to this is the fact that ZANU-PF is a tired, old, divided party that is bereft of ideas. With diminishing ability to dispatch patronage, it will decrease in strength.

133. (C) We believe therefore that the government should be
Q33. (C) We believe therefore that the government should be given the opportunity to survive. Tsvangirai, Biti, and others constantly remind us now, however, of the desperate economic situation they have inherited. The government's ability to provide services, such as health and education, is crucial to its survival. It is also vital to the MDC in maintaining and building support. There is a sense of momentum in Zimbabwe at present. We should take advantage of this window of opportunity. We should work with other donors to provide aid that will at least indirectly enable the GOZ to pay minimal civil servant salaries in the short term, and at the same time begin to rebuild infrastructure, while the

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economy stabilizes and revenue streams improve. In doing so, our hallmarks should be flexibility and rapid response. END COMMENT.

MCGEE